

A decorative graphic on the left side of the slide, consisting of a black crosshair. The vertical line is positioned to the left of the text, and the horizontal line is positioned below the text. To the left of the vertical line are three overlapping squares: a blue one on top, a red one in the middle, and a yellow one at the bottom.

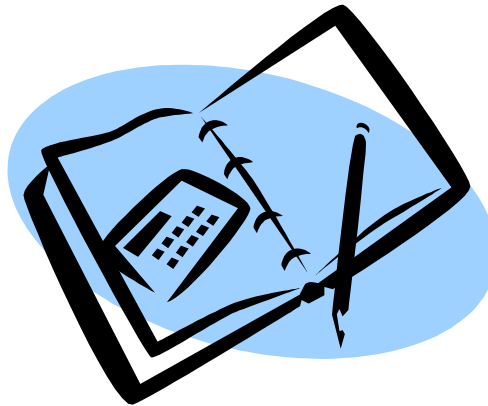
MINIMUM LOSS RATIO (MLR)

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What is it?

- Medical expenses/Premiums
 - Health Plans (22) – 85%
 - Dental and Vision (9) – around 80%





Why do we use it?

- Maximize our dollars being spent on the right care and services
- Make sure what RDT shows is accurate





How do we measure it?

- Periodic reviews –
once every 3 years,
sometimes more often
- Usually covers one
fiscal year; could be
two





What will happen if MLR is less than contracted ratio?

- Develop and complete a corrective action plan, and then correct!
- Future rates could be affected
- Plan will reimburse MRMIB to perform an additional evaluation review for each successive benefit year
- For each evaluation which determines less than contracted MLR, plan shall credit MRMIB the amount required to meet the MLR for the applicable benefit year (*repay overpaid capitation*)

Where are we in the 3-year cycle?

- DMHC is our agent (not limited to DMHC)
 - 2008/09 – 11 will be scheduled

Questions?

